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PATRICIA PEREZ-COUTTS
PORTFOLIO MANAGER

Investing with Impact: Pender Emerging Markets Impact Fund

Investing with Impact

The Pender Emerging Markets Impact Fund is one of only a few emerging markets funds that combines a focus on fundamental investing in emerging market companies, with impact investing. The Fund will be strongly aligned and committed to investing in companies whose business models are capable of generating long-term returns for shareholders, while also addressing environmental, social and governance (ESG) issues. This dual mandate aims to capitalize on the long-term sustainable growth that can be achieved, but in the right way.

Portfolio Manager Patricia Perez-Coutts, CFA has incorporated ESG criteria into her investment process for much of her 30 years of investing experience. The goal of generating returns and investing in sustainable businesses are not mutually exclusive. In fact it is a responsibility and, we believe, a competitive advantage for businesses to not only adopt sound, demonstrable ESG practices but also focus on the return profile of important impact activities. These trends are well established and becoming more entrenched. With increased awareness and concern over climate change and its impact on social trends, they are driving more and more investors towards strategies that factor in all such considerations.

A New Way of Investing in Emerging Markets

While the goal of the Fund is to generate returns from the economic growth and profitability of companies in emerging markets, this growth cannot come at the expense of either the environment or society.

We are advocating for a new way to invest in emerging markets. Not only are we focused on using fundamental bottom-up analysis to uncover companies to invest in, but we are also adding an impact component which we believe will be no less profitable for investors. We will look differently at companies that are potential targets for the Fund, paying close attention to their impact from both a sustainable ESG business model and a long-term economic return prospective.

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Commissions, trailing commissions, management fees and expenses plus applicable taxes all may be associated with mutual fund investments. Please read the simplified prospectus before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. This communication is intended for information purposes only and does not constitute an offer to buy or sell our products or services nor is it intended as investment and/or financial advice on any subject matter and is provided for your information only. Every effort has been made to ensure the accuracy of its contents. Certain of the statements made may contain forward-looking statements, which involve known and unknown risk, uncertainties and other factors which may cause the actual results, performance or achievements of the Fund or the investee companies mentioned, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

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Impact & ESG

Impact investing targets businesses that have a clear intent and focus to generate measurable, positive, social and environmental impact, alongside a financial return. ESG criteria are used on the portfolio at large, as part of the ongoing analysis to assess each investment we make in the Fund. These factors will be reviewed as part of the bottom-up, due diligence process and include some of the following criteria:

Environmental

1. Reductions in greenhouse gas emissions
2. Investments towards funding environmental improvements
3. Offsets to environmentally compromising operating activities
4. Track record of compliance with environmental regulations
5. Availability of ongoing sustainability reporting
6. Disclosure and transparency of environmental goals

Social

1. Diversification of the board of directors, senior management and workforce
2. Supports positive social change and improvement of the local community
3. Level of engagement in infrastructure projects that provide support to the local community
4. Compensation, funding, or other opportunities to social groups, not-for-profits, and community organizations

Governance

1. Strong governance standards based on the composition, mandate, and level of independence of the board of directors
2. Positive investor relations
3. Good degree of accessibility to main decision makers
4. Access to relevant information for investors and monitoring by independent governance institutions

In evaluating and monitoring ESG factors, the Fund will review company specific reporting, understand best practices at an industry level, and consult with independent third parties and industry groups.

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